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| COMMITTEE: | Cabinet |
| DATE: | 9 January 2003 |
| SUBJECT: | Contract for Coast Protection Maintenance Works 1999 -2003 |
| REPORT OF: | Director of Planning, Regeneration and Amenities |
| Ward(s): | Meads, Devonshire and Sovereign. |
| Purpose: | To seek the Cabinet's approval to extend the Contract for Coast Protection Maintenance Works (November 1999 - March 2003) for a period of 12 months. |
| Contact: | Peter Padget, Engineering Manager, Telephone 01323 415235 or internally on extension 5235. |
| Recommendations: | That the Cabinet authorises the Director of Planning, Regeneration and Amenities in consultation with the Head of Legal Services and Cabinet Spokesperson for the Environment to arrange an extension to the Coast Protection Maintenance Works Contract for a period of 12 months. That the |

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| 1.0 | <u>Background</u> |
| 1.1 | The Coast Protection Maintenance Contract was tendered in 1999 with a start date of 1 st November 1999 until 31 st March 2003. The successful contractor was J.T.Mackley Ltd, who provided the most economically advantageous tender. |
| 1.2 | When the contract was advertised it was notified that the duration of the contract was for 3 years with the option on the part of the Borough Council to extend annually thereafter up to a further 2 years. |

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| 1.3 | <p>The contract consists of a priced schedule of rates and dayworks schedule and covers the following operations:</p> <ul style="list-style-type: none"> i) Routine timber groyne maintenance; ii) Beach re- profiling; iii) Maintenance of rock revetments, concrete sea walls, flood gates and timber steps and ramps; iv) Monitoring surveys; v) Condition inspections; vi) Operation of the Coastal Protection and the Oil Pollution Emergency Plans. |
| 1.4 | <p>Rates inserted in the Schedule of Rates are increased annually in accordance with Index Figures compiled by HMSO in the DETR monthly Bulletin of Construction Indices.</p> |
| 1.5 | <p>Works carried out under the contract include:</p> <ul style="list-style-type: none"> a) Capital beach management work that has received approval from the Department for Environment, Food & Rural Affairs (DEFRA) and consequently attracts grant support from Central Government; b) General maintenance works supported from coast protection revenue budget. |
| 2.0 | <u>DEFRA Approval for Beach Management Works</u> |
| 2.1 | <p>On 1st November 2002 DEFRA formally approved the Eastbourne Beach Management Scheme 2002 - 2004 at a total cost of £113,200. The forecast expenditure this financial year is £68,300 and for next year £44,900.</p> |
| 2.2 | <p>DEFRA have noted that the contract has been awarded to J.T.Mackley and in accordance with Section 21 of the Coast Protection Act 1949 have awarded a 65% grant in respect of these works.</p> |
| 2.3 | <p>The approved works this year will be carried out under the existing Contract with J.T.Mackley Ltd.</p> |

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| 2.4 | If approved, the extension of the Contract will allow the approved works next year to be carried out using the rates in the Contract which will be increased in accordance with Index Figures compiled by HMSO in the DETR monthly Bulletin of Construction Indices. |
| 2.5 | It is likely that beyond April 2004 a different approach will be required with regard to the procurement of coastal protection works. This is explained in Section 3.4. |
| 3.0 | <u>Beach Management Works beyond 2004</u> |
| 3.1 | DEFRA agreement to beach management works beyond that already approved is subject to the condition that any works submitted for approval beyond 2003/04 will not be approved unless a Coastal Defence Strategy is agreed by DEFRA. |
| 3.2 | At the meeting held on 1 st July 2002 Cabinet resolved to adopt Strategy Plans 1 & 2 of the Beachy Head to Rye Harbour Coastal Processes and Resources Study and authorised the Head of Amenities to submit these to DEFRA. |
| 3.3 | The Strategies are due to be submitted to DEFRA in the near future when the consultants, Halcrow, have completed an over arching report. |
| 3.4 | The proposed scope of future works is set out in the form of implementation plans contained in the Strategies. When considering the procurement of works there are clear opportunities for combined packages of works, with co-operation between the operating authorities. The strategies recommend shingle recharge campaigns should be let as a combined contract across neighbouring frontages and this approach could also be extended to include all maintenance works. |
| 3.5 | Once the Strategies have been accepted by DEFRA detailed procurement recommendations for the first five years from April 2004 will be developed. These recommendations will be the subject of a future report to Cabinet. |

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| 4.0 | <u>Consultations</u> |
| 4.1 | There have been discussions in relation to the extension of the contract with J.T.Mackley Ltd. and they have expressed a willingness to enter into the contract for a further 12 months. |
| 4.2 | The Head of Legal Services has been consulted and has confirmed that it is possible to extend the existing contract by deed of variation for a period of 12 months. |
| 5.0 | <u>Financial Implications</u> |
| 5.1 | Clause 15 of the Conditions of Contract allows an annual revaluation of rates in accordance with Index Figures compiled by HMSO in the DETR monthly Bulletin of Construction Indices. The contractor should provide documentary evidence of incurred cost increases in relation to materials which are not included for in the Monthly Bulletin (i.e. increase cost of shingle). The contractor will be expected to provide documents from at least two approved suppliers for competitive cost comparison. Adopting this approach ensures that there is a fair annual reassessment of rates. |
| 5.2 | In the event the contract had to be re-tendered for the period April 2003 to March 2004 it is probable that cost increases would be greater than if the existing contract was extended. |
| 6.0 | <u>Environmental, Human Resource, Youth and Anti-Poverty Implications</u> |
| 6.1 | There are no other relevant implications for this report. |
| 7.0 | <u>Summary</u> |
| 7.1 | The extension of the Coast Protection Maintenance Works Contract will mean that the Beach Management Works for 200/04 that have received DEFRA approval and also the general maintenance of the coastal defences can be carried out using competitive rates without the need to re-tender. |
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| <p>Peter Padget</p> <p>Engineering Manager</p> | |
| <p>Background Papers:</p> <p>The Background Papers used in compiling this report were as follows:</p> <ol style="list-style-type: none"> 1. Contract for Coast Protection Maintenance Works 1999 - 2003. 2. Advertisement for select list of tenderers for coastal protection maintenance works, published in the New Civil Engineer 1st July 1999. 3. Letter for DEFRA dated 1st November 2002 - approving Eastbourne Beach Management Scheme 2002 - 2004. 4. Report to Cabinet 1st July 2002 - Beachy Head to Rye Harbour Coastal Processes and Resources Study. 5. Cuckmere Haven to Redoubt Gardens Coastal Defence Strategy. 6. Redoubt Gardens to Cooden Coastal Defence Strategy. <p>To inspect or obtain copies of background papers please refer to the contact officer listed above.</p> | |
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